



# State of Utah

*School and Institutional*  
TRUST LANDS ADMINISTRATION

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Jon M. Huntsman, Jr.  
Governor

Kevin S. Carter  
Director

File M150040  
cc: Paul  
Susan

August 10, 2006

Miracle Rock Mining & research, LLC  
200 East 400 South  
Emery, UT 84522

RE: ML 42844 and ML 42844A – Humic Shale

Gentlemen:

The two mineral leases listed above were issued with an effective date of April 1, 1986 and are beyond their Twenty-year term. As such, each lease may only be maintained annually by production of the leased substances in paying quantities. Article 3.2 of each lease defines production of the leased substances in paying quantities as the mining and sale of the leased substances during the lease year in an amount sufficient to cover all operating expenses accruing to the lessee pursuant to the leasehold for the lease year, including the payment of all taxes and the payment of rentals and royalties. In the absences of such production or the cessation of mining for any lease year (beyond the twentieth year) each lease shall expire of its own terms without the necessity of any notice or action by Lessor, as per Article 3.5.

In view of the above terms and conditions please consider the gravity of the mining cessation order No. MC2006-03-08-01 recently issued by the Division of Oil, Gas & Mining, affecting the properties covered by the two mineral leases listed above. If remedy is not made to enable a resumption of mining and commercial production is not achieved during the current lease year then the two mineral leases listed above shall expire at the end of their current lease year. Please contact me if you have any questions in this matter.

Sincerely,

John T. Blake

CC: Paul Baker